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SENSITIVE
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SUBJECT: GLONASS DEPLOYMENT HAS FULL RUSSIAN GOVERNMENT SUPPORT

REF: (A) STATE 14881 (B) 08 MOSCOW 1233 (C) 07 MOSCOW 1637

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Summary

1. (SBU) At the third International Satellite Navigation Forum in Moscow from May 12-13, Russian officials took pains to demonstrate high-level government support for the previously behind-schedule Russian Global Navigation Satellite System (GLONASS). They assured the thousand plus government and industry attendees from twenty-five countries of continued Russian government funding, that GLONASS will have global coverage as planned by 2012, and encouraged the business community to develop GLONASS-compatible products in order to benefit Russia's innovative economy. USG speakers urged GLONASS compatibility and interoperability with the U.S. Global Positioning System (GPS) and encouraged expanded worldwide cooperation through the International Committee on Global Navigation Satellite Systems (ICG), a voluntary United Nations-backed association that will hold its fourth major meeting in St. Petersburg in September. Russian government speakers echoed these same points during the forum, in contrast to the Russian Federal Space Agency Roscosmos's May 13 proposal that the Russian government ban, or raise customs duties, on imported cars lacking GLONASS. Russian government forum participants also did not refer to the May 6 recommendation by major Russian telecom conglomerate Sistema that the government mandate GLONASS or dual GLONASS-GPS chips in all cellphones. USG officials also briefed engineering students at Moscow's prestigious Bauman Institute on U.S. GPS policies. End Summary.

BIG RUSSIAN GOVERNMENT NAMES AND CROWDS AT PLENARY

2. (SBU) Russia's third International Satellite Navigation Forum, held in Moscow's Expocenter from May 12-13, 2009, attracted more than a thousand government and industry representatives from twenty-five countries and featured a resounding endorsement of the GLONASS system by Russian leaders. Deputy Prime Minister Sergey Ivanov attended in person, giving a dynamic keynote address in which he underscored Russia's commitment to achieving worldwide GLONASS coverage by 2012. (Embassy note: Ivanov was a disappointing no-show at last year's forum (Ref B). In January 2009, he publicly

lambasted the "ineffective" management of the GLONASS program, expressing personal dissatisfaction with the limited availability of GLONASS services and equipment on the domestic or foreign market. End Note.) In a clear show of state support, Ivanov determinedly assuaged concerns that the GLONASS program was falling behind schedule, and likely to take a financial hit during the budget crisis. Ivanov pledged repeatedly in his speech that the Russian government remained committed to "full funding" for the federal GLONASS program and "full support" for all federal high-tech manufacturers and Russian manufacturers of high-tech equipment. Despite the current financial crisis and ensuing budget cutbacks, Ivanov insisted that 2009 budgeted funds for GLONASS development would be "fully preserved."

13. (SBU) Anatoliy Perminov, head of Roscosmos, Russia's Federal Space Agency, described to plenary attendees GLONASS's "special place" among Russia's significant innovation projects. Its success remains Russia's highest priority because its implementation is an important part of the national infrastructure, supporting both national security and national economic development. He pledged that GLONASS's basic civilian signal will remain available for civilian use, free of charge, with no restrictions, and not liable to "sequestration" (i.e. jamming) by the military.

14. (SBU) Perminov recounted that since Roscosmos launched the first six non-prototype (Block IIa) satellites in 1985-86, it has improved time and frequency standards and increased frequency stability. According to both Ivanov and Perminov, GLONASS's current 20 satellites provide 100 percent navigation coverage for Russian territory and 98 percent worldwide coverage, with up to ten-meter accuracy. Only 18 of the 20 satellites need to be operational to provide continuous service. In 2009, Russia plans to put 6 more "GLONASS M" model satellites into orbit (Block 40, numbers 30-31-32, and Block 41, numbers 33-34-35), elevating the GLONASS network above the 24 satellite minimum needed for full global coverage and making

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GLONASS service "more precise, accessible and reliable." Perminov explained that in 2010, Roscosmos will continue testing its new generation of "GLONASS-K" model satellites that include improved features, comparable to "the best in the world," such as a guaranteed 15-year lifespan, a twofold increase in signal accuracy, and reduced weight. By 2011, the GLONASS network will reach 30 satellites and will be complete.

15. (SBU) Nikolay Testoyedov, Director General of Reshetnev Informational Satellite System Company, a Roscosmos contractor, confirmed that two relay satellites will be launched in 2010-2011 that will allow high-precision (greater than one-meter accuracy) GLONASS signals to be received throughout Russia as of 2011. (Embassy note: It was not clear whether Testoyedov was referring to the expected development of a Russian satellite-based augmentation system similar to the FAA's Wide Area Augmentation System (WAAS) which provides enhanced accuracy for aircraft users. End Note). Luch-5A is expected to be launched in December 2010, Luch-5B in December 2011. Testoyedov mentioned that as of 2013, GLONASS satellites would be launched from Russia's Plesetsk spaceport, rather than from Baikonur in Kazakhstan.

16. (SBU) During the May 12 press conference at the forum, Anatoliy Shilov, a deputy head of Roscosmos, announced that the Russian government plans to spend an additional 63 billion rubles (approximately 970 million U.S. dollars) on GLONASS over the next three years. (Embassy note: The Russian government allocated 4.7 billion rubles (170 million USD) in 2006, 9.9 billion rubles (360 million USD) in 2007, 10.3 billion rubles (322 million USD) in 2008 on the GLONASS program. Putin signed a directive on September 12, 2008 allocating an additional 2.6 billion U.S. dollars to get full GLONASS deployment back on track. End note.) Addressing industry concerns about GLONASS's future, Yuriy Urlichich, General Director of Federal State Unitary Enterprise "Russian Institute of Space Device Engineering (FSUE RISDE), one of the creators of GLONASS, proclaimed that the GLONASS signal would continue to be provided to the international community "free of charge." Now that the crisis period for GLONASS was over, Urlichich stated that the expected federally-targeted program for "GLONASS development for 2012-20"

will provide for GLONASS's continued modernization.

Compatibility with GPS and Galileo

17. (SBU) At the invitation of the Vladimir Klimov, Chief Executive Officer of the GLONASS/GNSS Forum Association, Ray Clore from the State Department's Oceans Environment and Science Bureau spoke to plenary attendees on "U.S. Space-Based Positioning, Navigation and Timing (PNT) Policy and International Cooperation. USAF LtCol Timothy Lewallen, Acting Chief, PNT Operations Division, Headquarters, Air Force Space Command, described the "Current Status of GPS." Both Clore and Lewallen emphasized the key U.S. policy goal of seeking to ensure that international navigation systems such as GLONASS are compatible with/do not interfere with U.S. civil GPS signals and that they are completely interoperable with GPS, so that global civil users get better capabilities than relying on only one signal or service. Pieter De Smet, from the European Commission, briefed on the EU's action plan for its Galileo GNSS system.

18. (SBU) Russian government speakers echoed that they seek compatibility and interoperability. Citing the enormous potential of Russian technology sector, and over ten years experience in making the GLONASS satellite system available to the general public, Ivanov reaffirmed the government's commitment to making GLONASS "complementary" to GPS, Galileo, and other Global Navigation Satellite Systems (GNSS) systems under development. Ivanov added that when GLONASS is combined with GPS, users get more accurate and more reliable navigation service. Ivanov stressed Russia's international efforts, noting that Russia is "heavily engaged with experts from the United States, EC and European Space Agency" and has ten bilateral agreements with other partner countries to develop space and space-based navigation agreements. Emphasizing that Russia was ready to expand its cooperation with all foreign partners, Ivanov announced that Russia would chair the Fourth International Committee on Global Navigation Satellite Systems (ICG) in St. Petersburg in September where he hoped the parties could achieve a "mutually beneficial" single standard for open accessible

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signals. Only by working together, Ivanov added, could the international community improve quality of life in the areas of transportation, logistics and navigation. Perminov also confirmed that Russia will continue to expand international cooperation to achieve interoperability.

19. (SBU) Boasting that "our GLONASS is as good as GPS," Urlichich warned audience members against relying solely on GPS as "it does not always work perfectly due to its complicated signal construction technology." While pointing out that GLONASS had the advantage of a higher quality signal in densely populated metropolitan areas, Urlichich praised the "extremely successful" search and rescue efforts of more than 25,000 individuals using combined GLONASS/GPS signals. In his view, GPS and GLONASS were intentionally built "not to interfere with each other." He urged industry to continue to develop receivers capable of receiving more than one system calling the combined multisystem approach "much more robust" than just GPS reliance. Urlichich saw mutual acceptance of the interoperability of both GLONASS and GPS as the goal of the 4th ICG in St. Petersburg.

Government Progress but Limited Commercial Availability

110. (SBU) In January 2009, Deputy Prime Minister Ivanov complained that the government's success in developing the orbiting cluster of GLONASS satellites and ground control centers had gotten far ahead of the consumer's ability to purchase navigation equipment. Roscosmos chief Perminov echoed these concerns at the forum. He announced that there are currently only 27 types of GLONASS-related civilian equipment on the market, as well as 33 "samples or sample systems" in development. Although Perminov asserted that GLONASS was launched specifically for consumer use (Embassy note: GLONASS was originally devised for military use. End note), he lamented

that the breadth of product availability on the domestic or foreign market was far from sufficient to satisfy need/demand. Dozens of Russian and international high-tech companies displayed their wares at the Forum, such as combined GPS-GLONASS receivers, in the two large exhibition halls.

¶11. (SBU) Meanwhile, the government was doing its part, under strong federal navigation laws, to equip all forms of state-owned transportation in Russia with GLONASS navigation systems by 2011. Perminov reported that to date the Ministry of Transportation had equipped 17 percent of government-owned aircraft, 27 percent of government-owned automobiles, and 35 percent of government-owned railroad cars with GLONASS devices. Deputy Minister of Transportation Vyacheslav Zabelin mentioned that 85 percent of government-owned passenger vehicles, in the Moscow region were already equipped with GLONASS navigation devices, and that considerable progress had been made in other urban hubs, such as Mozhaisk and Special Economic Zone Dubna. The government was also in the process of implementing remote monitoring of utility and hazmat vehicles using GLONASS. Roscosmos and the Ministry of Transportation are actively working together to prepare to use GLONASS as the main platform for the 2014 Winter Olympics in Sochi. Perminov urged the business audience to do its part to help make GLONASS available for all consumers by 2020. (Embassy Note: Russian Government Directive 641, adopted on August 25, 2008, "recommends" that all government agencies and local authorities use GLONASS or dual GLONASS/GPS devices. Deputy PM Ivanov has highlighted the Russian government's priority to equip all federal means of transportation with GLONASS by 2010. End Note.)

¶12. (SBU) Pavel Sozinov, First Deputy General Designer and Deputy General Director, OJSC "Concern PVO "Almaz-Antey" spoke about the prospects for future sales of consumer navigation equipment of system GLONASS. He said that Russia will have spent 341.5 billion rubles (approximately 10.7 billion USD) cumulatively by the end of 2011 on the research and development for civilian navigation equipment and next generation components with the goal of opening up a larger market for sale of a wider variety of personal navigation devices (phones, compasses, loggers, taggers, watches, etc). Most of the approximately 30 navigation devices being produced are on a mass scale for federal aviation and automotive purposes. But he predicted there would be over 350 products available on the market by 2011. He attributed this increase in commercial availability to the law on navigation activities signed by President Medvedev on February 14, 2009 that mandates the use of navigation systems

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(unspecified) for some civilian uses as of January 1, 2011, including for the transportation of passengers, hazardous materials, and cargo. By 2015, Sozinov hopes to see 8 million navigation devices worldwide using GLONASS or a combined GLONASS/GPS signal. To reach this end, Sozinov called on the Russian government to reduce taxation and increase loan availability for producers of navigation devices negatively affected by the dynamic and fickle market in 2009.

USG Speakers Well-Received at Forum and Bauman Institute

¶13. (SBU) Experts from more than twenty private firms led smaller, less formal discussions on the use of satellite navigation in aviation, space, sea/river transport, surveying and construction, railway transport, and motor transport. During these sessions, USG official speakers Clore and Lewallen had the opportunity to exchange in useful dialogue with Russian counterparts and to hear reactions and comments on their presentations. Russian governmental reps were very positive about the need for continued bilateral cooperation and also expressed interest in learning more about U.S. multilateral efforts in Asia and Africa. Russian business interlocutors were very supportive of the need for system interoperability with GPS. They were also extremely interested in learning more about the U.S. National Space-Based PNT Organizational Structure, specifically the existence in the U.S. of an Advisory Board consisting of members of industry who work closely with the various governmental agencies to make the GPS system more user-friendly. Russian producers of satellite navigation equipment are clearly anxious to play a similar role here influencing policymakers on GLONASS.

¶14. (SBU) Aleksander Syomkin, president of satellite navigation company "Navigator" and a forum presenter, privately complimented Clore and Lewallen on their informative speeches. In his public address, Syomkin voiced concerns that GLONASS is potentially vulnerable to hackers, exposing the Russian government to possible military and economic threats. Syomkin speculated that the Russian government, particularly the military, might soon feel compelled to encrypt or limit GLONASS signals to civilians to minimize security threats. This would hamper business and commercial development of equipment. Syomkin advocated that Russia's satellite navigation industry take responsibility of developing and promoting only top quality GLONASS and dual GLONASS-GPS products that will safeguard government security.

¶15. (SBU) On May 13, following the forum, Statement Department GPS expert Clore addressed a group of university students at the prestigious Bauman Institute, also known as Moscow State Technical University, which specializes in training of scientists and engineers. Echoing his conference themes, Clore spoke on the status of GPS and U.S. bilateral and international diplomatic efforts. The audience of Russian engineering students, several of whom expressed a desire to pursue careers in satellite navigation, was interested to learn about the non-competitive nature of GPS, the U.S. commitment to maintaining its free signal, and various U.S. bilateral and multilateral diplomatic efforts to ensure that other GNSS systems do not interfere with GPS. The discussion, which also included Air Force Space Command's Lt. Col. Lewallen, prompted follow-up questions on GPS funding levels, GPS accuracy, frequency of GPS navigator updates, and overlapping frequencies for current and developing GNSS systems. One student asked whether it might ever be possible to combine the current four major systems into one global system. He and the other Bauman students were unaware of the considerable national pride and financial commitments reflected in the development of the various GNSS systems.

Proposed Mandatory GLONASS Use in Car Imports and Phones

¶16. (SBU) Coinciding with the close of the forum, Roscosmos chief Perminov proposed in a May 13 letter to the government that the import of automobiles not equipped with GLONASS or combination GLONASS/GPS receivers should be prohibited, or at a minimum that the customs duties should be raised several times. "Only that way can the national market and Russian producers be protected," Perminov warned. Although GLONASS use is legally required for all state-owned vehicles by 2011, no government plans have been

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announced to make the system mandatory for private vehicles.

¶17. (SBU) In a similarly protectionist recommendation, head of telecom conglomerate AFK Sistema Vladimir Yevtushenkov, urged the Russian government on May 6 to require that all mobile phones and other gadgets sold in Russia contain chips that are compatible with both GLONASS and GPS. He suggested offering devices which allowed consumers to switch to GLONASS alone once it becomes fully operational in 2010. The Russian government has made no public comment on this specific proposal and its feasibility other than making its "full support" for Russian satellite navigation industry evident at the forum.

Comment

¶18. (SBU) Perminov's and Yevtushenkov's protectionist comments seem out of sync with DPM Sergey Ivanov's more liberal economic vision of interoperability and enhanced international cooperation in global navigation systems. Although many Russian government speakers at the forum paid lip service to U.S. themes of compatibility and interoperability for GPS and GLONASS, recent circulating proposals indicate a strong protectionist undercurrent in the domestic telecom industry and at Roscosmos. It is not clear whether these views will hold sway with the government where hopes are very high that Russian GLONASS, now providing full Russian coverage, can compete

internationally with the U.S. GPS, make inroads in developing markets, and boost Russia's innovative economy.

¶19. (U) This cable was cleared by OES Ray Clore.